

Program A: Payments to Private Providers

Program Authorization: The Constitution of Louisiana (1974) Article 12, Section 8, declares that the Legislature may establish a system of economic and social welfare, unemployment compensation, and public health. Louisiana Revised Statutes 36:251 et seq., gives the Louisiana Department of Health and Hospitals (DHH) Secretary authority to direct and be responsible for the Medical Assistance Program, Title XIX of the Social Security Act, and the authority to act as the sole agent of the state or, in necessary cases, designate one of the offices within the department or its assistant secretary to cooperate with the federal government and with other state and local agencies in the administration of federal funds granted to the state or directly to the department or an office thereof to aid in the furtherance of any function of the department or its offices, including funding for the Medical Assistance Program, Title XIX of the Social Security Act. The Balanced Budget Act of 1997 (BBA) (Public Law 105-33), as amended by recent technical amendments (Public Law 105-100, signed into law on November 19, 1997).

Program Description

The mission of the Payments to Private Providers Program is to provide payments to private providers of health services to Louisiana residents who are eligible for Title XIX (Medicaid) and to administer the Medicaid Program to ensure operations are in accordance with federal and state statutes regarding medically necessary services to eligible recipients.

The goals of the Payments to Private Providers Program are:

1. To develop alternatives to institutional care.
2. To screen children for medical, vision, hearing and dental abnormalities.
3. To improve health outcomes by emphasizing primary and preventative care.

The Payments to Private Providers Program provides payments to the following providers/services: Inpatient Hospital Services, Outpatient Hospital Services, Long Term Care Facilities, ICF-MR (MR/DD Community Homes), MR/DD Waiver (Community Services), Assisted Living Waiver, Inpatient Mental Health, Psychiatric Rehabilitation, Adult Day Health, Physicians Services, Pharmaceutical Products and Services, Laboratory and X-ray Services, Emergency Transportation, Non-Emergency Transportation, Chiropractic Services, Certified RN Anesthetists, Adult Dentures, Appliances and Medical Devices, Home Health Services, Hemodialysis Services, EPSDT (Screening and Early Diagnosis), Case Management Services, Elderly Waiver, Federally Qualified Health Centers, Private Family Planning, Rehabilitation Services, Rural Health Clinics, Substance Abuse Clinics, and Other Private Providers.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$598,948,573	\$543,828,019	\$547,120,032	\$710,811,464	\$348,579,797	(\$198,540,235)
STATE GENERAL FUND BY:						
Interagency Transfers	3,761,454	16,777,627	16,777,627	777,627	209,963,549	193,185,922
Fees & Self-gen. Revenues	30,707,104	13,500,000	13,500,000	5,000,000	30,707,024	17,207,024
Statutory Dedications	189,184,465	243,596,437	244,954,736	111,365,325	200,365,260	(44,589,476)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	1,934,112,502	2,046,089,191	2,049,414,681	2,061,991,500	2,488,766,866	439,352,185
TOTAL MEANS OF FINANCING	\$2,756,714,098	\$2,863,791,274	\$2,871,767,076	\$2,889,945,916	\$3,278,382,496	\$406,615,420
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	2,756,714,098	2,863,791,274	2,871,767,076	2,889,945,916	3,278,382,496	406,615,420
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$2,756,714,098	\$2,863,791,274	\$2,871,767,076	\$2,889,945,916	\$3,278,382,496	\$406,615,420
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

SOURCE OF FUNDING

The Payments to Private Providers program is funded with State General Fund, Interagency Transfers, Fees & Self-generated Revenues, Statutory Dedications, and Federal Funds. Interagency Transfers (IAT) originate from the Department of Social Services, Office of Family Support for Refugee Medical Vendor payments and Office of Community Services for the processing of all state funded payment of Non-Title XIX Foster Care Medical Vendor claims. IAT funding is also generated from the return of Uncompensated Care Cost payments over 100% from state hospitals. Fees & Self-generated Revenues are derived from the recovery of payments made when Third Party Insurance can be accessed. The Statutory Dedications are the Louisiana Medical Assistance Trust Fund which derives its funding source from the collection of provider fees from varying medical providers in the state based on corresponding per bed per day rates; the Louisiana Fund and the Health Excellence Fund, payable out of funding received pursuant to the Master Settlement Agreement reached between certain states and participating tobacco manufacturers; the Medicaid Trust Fund for the Elderly and the Health Trust Fund, based on interest earnings from the principal of the Medicaid Trust Fund for the Elderly. (Per R.S. 39:36B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) Federal Funds represent federal financial participation in the Medicaid program.

	ACTUAL	ACT 13	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED OVER/(UNDER)
	2001-2002	2002-2003	2002-2003	2003-2004	2003-2004	EXISTING
Louisiana Medical Assistance Trust Fund	\$119,503,212	\$169,575,017	\$170,933,316	\$91,643,348	\$144,065,957	(\$26,867,359)
Louisiana Fund - Tobacco	\$34,630,000	\$12,212,429	\$12,212,429	\$406,568	\$406,568	(\$11,805,861)
Health Excellence Fund - Tobacco	\$200,000	\$5,351,205	\$5,351,205	\$0	\$14,432,051	\$9,080,846
Medicaid Trust Fund for the Elderly	\$31,597,078	\$44,497,102	\$44,497,102	\$13,017,813	\$29,500,000	(\$14,997,102)
Health Trust Fund	\$3,254,175	\$11,960,684	\$11,960,684	\$6,297,596	\$11,960,684	\$0

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$543,828,019	\$2,863,791,274	0	ACT 13 FISCAL YEAR 2002-2003
			BA-7 TRANSACTIONS:
\$3,292,013	\$3,292,013	0	Contingency in Act 13 of 2002 for revenues in the Pari-mutuel Live Racing Facility Gaming Control Fund
\$0	\$4,683,789	0	Contingency in Act 13 of 2002 for 325 additional MR/DD waiver slots
\$547,120,032	\$2,871,767,076	0	EXISTING OPERATING BUDGET - December 2, 2002
(\$198,540,235)	\$406,615,420	0	Other Adjustments - Adjustments necessary to implement the Medicaid Reform Initiative, a restructuring of the Medicaid program, which provides for either the elimination or reduction of the traditional institutionalized model of healthcare delivery, and emphasizes the provision of preventive and primary care and community-based services, based on consumer choice. See "OTHER CHARGES" section for a listing of changes from Existing Operating Budget to Total Recommended across individual categories of service.
\$348,579,797	\$3,278,382,496	0	TOTAL RECOMMENDED
(\$8,098,353)	(\$96,733,675)	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$340,481,444	\$3,181,648,821	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$50,709,947	0	A supplementary recommendation of \$14,432,051 in Statutory Dedications is included in the Total Recommended in Medical Vendor Payments. This item is contingent upon recognition by the Revenue Estimating Conference (REC) of additional revenue should the REC revise the inflation projection of the Health Excellence Fund for the Fiscal Years 2002-2003 and 2003-2004.
\$8,098,353	\$28,455,211	0	A supplementary recommendation of an additional \$8,098,353 in State General Fund is included in the Total Recommended in Medical Vendor Payments. This item is contingent upon recognition by the Revenue Estimating Conference (REC) of additional revenue should the REC revise the inflation projection of the Tuition Opportunity Program for Students (TOPS) Fund thereby reducing the State General Fund required for TOPS for the Fiscal Year 2003-2004.

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$17,568,517	0	A supplementary recommendation of an additional \$5,000,000 in Statutory Dedications is included in the Total Recommended in Medical Vendor Payments. This item is contingent upon the Revenue Estimating Conference's recognition of additional revenue in the Louisiana Medical Assistance Trust Fund from an increase in the per bed fee in Intermediate Care Facilities for the Mentally Retarded (ICF/MR) for the Fiscal Year 2003-2004.
\$8,098,353	\$96,733,675	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$348,579,797	\$3,278,382,496	0	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2003-2004.

OTHER CHARGES

Existing <u>Operating Budget</u>	Total <u>Recommended</u>	Payments to private medical providers for the provision of the following medical services to patients enrolled in the State's Medicaid program:
\$3,946,316	\$336,310	Adult Dentures
\$9,450,000	\$9,450,000	Behavior Management
\$13,436,441	\$14,782,607	Case /Management Services
\$6,221,326	\$6,829,556	Certified Registered Nurse /Anesthetists (CRNA)
\$32,907,206	\$27,678,493	Durable Medical Equipment
\$74,415,929	\$79,736,245	Early and Periodic Screening, Diagnosis and Treatment (EPSDT)
\$8,131,774	\$10,113,695	Family Planning
\$4,492,599	\$5,454,222	Federally Qualified Health Centers
\$24,283,835	\$28,675,088	Hemodialysis Services
\$24,945,156	\$26,719,010	Home Health Services
\$529,045,096	\$432,343,438	Hospital - Inpatient Services
\$152,791,961	\$183,871,541	Hospital - Outpatient Services
\$183,167,684	\$134,052,746	Intermediate Care Facilities for the Mentally Retarded (ICF/MR) - (MR/DD Community Placement)
\$50,476,265	\$57,411,542	Laboratory and X-Ray Services
\$6,958,796	\$1,976,666	Mental Health - Inpatient Services
\$33,439,740	\$40,907,511	Mental Health Rehabilitation Services
\$585,978,382	\$409,589,349	Nursing Homes
\$602,883,838	\$503,928,272	Pharmaceutical Products and Services
\$255,201,159	\$287,544,653	Physician Services
\$1,340,484	\$10,961,403	Rehabilitation Services
\$10,731,057	\$12,866,281	Rural Health Clinics
\$19,542,433	\$22,086,807	Transportation - Emergency Ambulance
\$8,586,759	\$7,275,993	Transportation - Non-Emergency Ambulance
\$8,467,365	\$8,646,697	Transportation - Non-Emergency Non-Ambulance
\$6,861,538	\$4,624,073	Waiver -Adult Day Health
\$5,672,811	\$3,773,024	Waiver - Children's Choice
\$21,902,802	\$47,570,526	Waiver - Elderly & Disabled Adults
\$168,962,088	\$453,651,689	Waiver - MR/DD (Community Services)
\$17,526,236	\$18,295,376	Other Private Providers

OTHER CHARGES

<u>Existing Operating Budget</u>	<u>Total Recommended</u>	Payments to private medical providers for the provision of the following medical services to patients enrolled in the State's Medicaid program:
\$0	\$28,000,000	Personal Care Attendant (PCA)
\$0	\$383,338,019	Health Insurance Flexibility and Accountability Act (HIFA) Buy-In
\$0	\$5,891,664	Ticket To Work
\$0	\$10,000,000	Mental Health Clinics
\$2,871,767,076	\$3,278,382,496	SUB-TOTAL OTHER CHARGES
		Interagency Transfers:
\$0	\$0	This program does not have funding for Interagency Transfers for Fiscal Year 2003-2004
\$0	\$0	SUB-TOTAL INTERAGENCY TRANSFERS
\$2,871,767,076	\$3,278,382,496	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2003-2004.